

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: To modify a provision relating to a sustainable energy program.

**IN THE SENATE OF THE UNITED STATES—110th Cong., 1st Sess.**

**S. 2191**

To direct the Administrator of the Environmental Protection Agency to establish a program to decrease emissions of greenhouse gases, and for other purposes.

Referred to the Committee on \_\_\_\_\_ and  
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. CRAIG

Viz:

1 Strike section 4406 and insert the following:

2 **SEC. 4406. SUSTAINABLE ENERGY PROGRAM.**

3 (a) DEFINITION OF SUSTAINABLE ENERGY TECH-  
4 NOLOGY.—In this section, the term “sustainable energy  
5 technology” means a technology to harness a renewable  
6 energy source (as defined in section 609(a) of the Public  
7 Utility Regulatory Policies Act of 1978 (7 U.S.C.  
8 918c(a)), including in distributed energy systems.

1 (b) DEMONSTRATION PROJECTS.—The Corporation  
2 shall use not less than 25 percent of the amounts made  
3 available to carry out this section for each fiscal year to  
4 support demonstration projects in the United States using  
5 sustainable energy technology, including in distributed en-  
6 ergy systems.

7 (c) DEPLOYMENT INCENTIVES.—

8 (1) IN GENERAL.—Of the amounts made avail-  
9 able to carry out this section for each fiscal year, the  
10 Corporation shall use—

11 (A) not less than 21 percent to provide  
12 Federal financial incentives to facilitate the de-  
13 ployment in the United States of sustainable  
14 energy technology, including in distributed en-  
15 ergy systems; and

16 (B) not less than 4 percent to provide Fed-  
17 eral financial incentives—

18 (i) for increasing the volume of cel-  
19 lulosic biomass that can be sustainably  
20 harvested for cellulosic ethanol production;  
21 and

22 (ii) to reduce storage and transpor-  
23 tation costs associated with use of that cel-  
24 lulosic biomass.

1           (2) ADMINISTRATION.—In providing incentives  
2           under this subsection, the Corporation shall provide  
3           appropriate incentives for regulated investor-owned  
4           utilities, municipal utilities, electric cooperatives,  
5           independent power producers, and consumers, as de-  
6           termined by the Secretary of Energy.

7           (d) DISTRIBUTION OF FUNDS.—A project that re-  
8           ceives an award under this subsection may elect 1 of the  
9           following Federal financial incentives:

10           (1) A loan guarantee.

11           (2) A cost-sharing grant to cover the incre-  
12           mental cost of installing and operating equipment  
13           (for which utilization costs may be covered for the  
14           first 10 years of operation).

15           (3) Production payments of not more than 1.5  
16           cents per kilowatt-hour of electric output during the  
17           first 10 years of commercial service of the project.

18           (e) PRIORITY.—In providing financial incentives  
19           under subsection (c)(1)(B), the Corporation shall give pri-  
20           ority to projects for ethanol production processes that re-  
21           duce greenhouse gas emissions by not less than 55 per-  
22           cent, as compared to conventional gasoline.

23           (f) LIMITATION.—A project may not receive an award  
24           under this subsection if the project receives an award  
25           under section 4402.